

Neighborhood Planning for Community Revitalization

Powderhorn Park Neighborhood Association Node Study

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Center for Urban and Regional Affairs
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**Powderhorn Park
Neighborhood Association
Node Study**

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EXECUTIVE SUMMARY

- Current Minneapolis Community Development Agency (MCDA) criteria for evaluating the viability of nodes are insufficient. The traditional economic or quantitative data need to be meshed with non-traditional or qualitative data that reflect neighborhood factors. Additional criteria are identified.
- Nodes are not just for neighborhood convenience services; they are often most viable if they provide specialty services not met by "big box" developments. Such services create a regional customer base.
- Many viable businesses are in scatter-site commercial buildings not at nodes and should be moved to concentrate economic activity at nodes.
- As the city phases out truly dying nodes, there needs to be a program to convert empty commercial space to alternative uses.

INTRODUCTION

The Minneapolis Community Development Agency (MCDA) conducted a study in 1996 that concluded there is too much commercial space in neighborhoods. The study specifically addressed neighborhood commercial areas at intersections (or "nodes") such as those along 38th Street which are not major corridors (i.e., Lake Street). It concluded that many of these nodes are not sustainable in the long term and the study provides support for City agencies to reconsider their use of resources at these intersections.

Nodes came into existence when trolley cars were the dominant mode of transportation. People would get off the trolley and buy basic supplies before walking a few blocks home. In addition to commercial space, many buildings at nodes were built with two levels (plus basement) with residential apartments or offices upstairs. While the rise of the automobile diminished the dependence for many citizens on node markets for all their supplies, these intersections are still a place of much traffic and neighborhood activity.

Beginning in late 1997 the MCDA will begin planning how to prioritize nodes for future resources. Currently money is available for businesses to move into and improve vacant spaces. If a node is determined not to be sustainable, the City may decide to no longer support the development of vacant buildings at the node or other commercial investments. This could result in a decrease in property values and an increase in crimes common around vacant buildings. Such outcomes could encourage remaining businesses to leave the neighborhood. To date the City has made no statements regarding possible actions to bolster or phase out any commercial areas in Powderhorn, or suggested any alternative actions, such as funding residential development in vacant commercial space. However, the MCDA study, often referred to as the "Chiodo Report," has been cited as support for the city to not fund another development project in south Minneapolis.

Concurrently, the Minneapolis Planning Department is rewriting the zoning code. Rezoning buildings in nodes no longer considered viable will be a challenging initiative, though in some

cases appropriate. If a commercial building is rezoned residential upon sale of the property with no waiver options, current business owners could challenge the law because the building would lose its value. None-the-less, the combination of new zoning rules and development priorities could radically impact all neighborhoods where nodes provide "easy access to neighborhood shopping [and are] an important aspect of city living." (*Draft Minneapolis Plan*, June 1997, pg. 131)

MCDA Criteria

Of key concern will be the methodology utilized in determining a "successful" or sustainable node. The MCDA's "Market Study of Neighborhood Commercial Areas and Nodes" conducted in 1996 concluded that there are two primary criteria:

- A minimum of 40,000 square feet of retail and service uses, focused on convenience and neighborhood related business; "40,000 is the minimum needed for a full service neighborhood center." (Market Study of Neighborhood Commercial Areas and Nodes, page 15)
- A population of 10,000 residents in the node's service area. A service area is defined by four factors, the most significant of which is the "time and distance to the node as compared to other locations offering similar goods." (Market Study, pg. 8)

In addition, the Chiodo report stated that a strong node will be supported by a major anchor business (grocery store, drug store, hardware store) and high volume of traffic with accessible off-street parking. However, the report also suggests that current trends toward "big box" retail stores such as Cub Foods, Target, and Menards undermine the future of smaller neighborhood services, and that the survival of neighborhood businesses will depend on "convenience, service, and personal attention." (Market Study, pg. 15) The importance of a major anchor, Chiodo argues, is that their absence sends customers elsewhere. (Market Study, pg. 17)

PPNA Study

The PPNA Node study began to determine whether the criteria utilized in the MCDA report are appropriate for neighborhood nodes. The study is focused on four nodes, 38th Street and Chicago Avenue, 38th Street and Bloomington Avenue, 38th Street and Cedar Avenue, and 35th Street and Bloomington Avenue (which was not included in the MCDA study). The research includes interviews with most of the forty-one business owners/managers and property owners identified at these nodes. Interview participants are asked the following questions:

- What is your business?
- How long have you been in business...at current location?
- Number of employees? (Full vs. part-time)
- How many employees live in the neighborhood?
- What has your track record been the last five years?
- What are your future plans and projections? (Expand, close, leave, status quo?)
- How and what are your relations to other businesses in node?
- Where are your suppliers from?

- What is your market area – who are your customers?
- What would strengthen the node for business?

In addition to interviews, a meeting of business and property owners was held at each node to discuss initial findings and options for how to strengthen the node.

There is an important differentiation to make between a viable/sustainable node and a node with viable businesses. Viable or sustainable nodes will pass many of the criteria discussed in this paper. In contrast, many nodes that are dying will still have one or a couple strong businesses. These businesses will be surrounded by vacant or less than optimally used buildings which detract from the node's atmosphere. When possible, consolidation of these few remaining businesses from various neighboring nodes to one location may prove beneficial. They will benefit from increased street traffic and overall environment. However, moving businesses, as discussed later, will generally prove challenging.

GENERAL FINDINGS

The Chiodo report is correct that over the last forty years Minneapolis' population has declined, there is a trend towards "big box" development, and that vacant commercial space in neighborhoods has increased and some will likely remain vacant due to market and social changes. However, to assert that the result of these trends is a dismal future for most Minneapolis neighborhood nodes is inaccurate. Based on interviews and research of other neighborhood development programs, PPNA found that numerous other factors impact the potential of a node. Traditional data available to city officials are not sufficient for making determinations about viability.

Instead, this report suggests additional criteria to be considered. The additional criteria expand the scope of traditional data collected and include numerous non-traditional measures. Traditional criteria are less subjective and easier to identify. Non-traditional criteria require specific familiarity with each node and cannot be determined without direct contact with businesses, property owners, residents, and on-site visits. Some criteria fall under both categories because they can be measured in both ways, and each provides different but relevant information. The chart on the following page summarizes the criteria identified by this study.

Clearly, measuring seventeen criteria will be challenging for the MCDA or any other city agency seeking to determine the risk of investment in a node. Nevertheless, use of non-traditional criteria is critical when assessing viability of a node because even a node that does well by traditional measurements can be unsustainable if the node is perceived as unsafe, has numerous buildings used for storage rather than customer drawing business, faces frequent business turnover, is dominated by one business, and/or has property/business owners who do not maintain their property well thereby discouraging others from investing in the area. Failure to incorporate criteria from each category leads to inaccurate conclusions. A detailed description and justification of the proposed criteria follows.

Traditional	Both	Non-traditional
Traffic Flow	Crime (Statistics vs. Perception)	Customer Base (Neighborhood vs. Regional)
Demographics	Competition (General vs. Custom)	Architecture/Aesthetic
Buying Power Pop. Density x Ave. Income	Parking (Spaces vs. Demand)	Related Services
Non-node Commercial Space	Business Owners Relationship (Formal vs. Informal)	On-Site Property Owner
Number of Businesses	Vacancy (Real vs. Apparent)	Mixed Use
		Public Space
		Business Stability

Traditional Criteria

- Traffic Flow - Traffic flow includes the number of vehicles passing per day and bus traffic. Traffic volumes are monitored by city agencies, and the bus company tracks ridership. This criteria is one component for determining the potential market. High traffic volumes can also contribute to the existence of non-node commercial space as discussed below.
- Demographics - Age and median income are primary factors in demographic measurements. This data is available from the Census. Census data is available in some cities by neighborhood or another subset of the municipality. Demographics are important because different populations demand varying services. Elderly and poor populations require services closer to home because they are less automobile-dependent. Elderly areas may demand quiet coffee shops and dry cleaners, while a poorer neighborhood may benefit most from a node dominated by light industrial employers and a few convenience businesses. Demographic trends can be useful for assessing the future services demanded.
- Buying Power - Population density multiplied by median income provides an estimate of the buying power of the area around a node. Density data are available from city planning departments and can be found along with median income information in the census. The buying power calculation is a viable way to compare neighborhoods because, for example, a poor neighborhood with duplexes, condominiums, or apartments can potentially support more businesses than a wealthy neighborhood dominated by single family homes.
- Non-node Commercial Space - Many streets have commercial space located away from nodes mixed in with residential uses. Non-node or "scatter-site" commercial space is the result of continued use or permit of "spot-zoning." Spot-zoning allows originally residential areas to be used for non-residential uses. [Note: In Minneapolis, some scatter-site non-residential

buildings were built prior to the original 1924 zoning code.] Scatter-site uses are identifiable from city planning maps specifying building use. The existence of active commercial space away from nodes suggests the existence of a sufficient market demand for services probably not met at the node. As non-node commercial space becomes available, continuation of spot-zoning approvals by municipal agencies prevents increasing the concentration of activity at nodes. Nodes will be more viable if customers are not attracted away to other locations.

- Number of Businesses - By definition, the number of businesses at a node is a measurable statistic. A combination of zone maps or observation on site can provide this data. This study suggests that the number of businesses providing services is more critical than, as the Choido report proposes, that there exists a minimum amount of 40,000 square feet of neighborhood convenience oriented businesses. A node is strengthened if there are multiple businesses which allow customers to complete numerous errands at one location.

Traditional and Non-traditional Criteria

- Crime (Statistics vs. Perception) - Police statistics provide a measurement of criminal activities at a node, either on the street or in businesses, but perceptions may not reflect statistics. Perceptions are best measured by intercept interviews asking people passing by "How do you perceive the safety of this intersection: safe, neutral, unsafe, very dangerous?" One may also ask for a brief justification of the answer. Measuring both statistics and perceptions is important because they may be very different. A crime rate may drop radically at a node, but the perception may persist that the node is unsafe. Or in other cases, local residents may be able to recognize certain people hanging out on the street as different from gangs loitering. For nodes seeking to attract regional customers, there is the need to overcome a common perception of suburban residents that crime is rampant throughout an inner city.
- Competition (General vs. Custom) - Competition is measured to assess if there are too many similar services in an area than can be supported by the population. It can be measured in two ways. Commonly, competition is assessed using a planning database to count businesses with the same Standard Industrial Classification (SIC) within a specific range. While good for general classifications of businesses, nodes often cater to specific demands of local residents. By identifying the type of restaurant, for example, one can determine if there really is a competitor nearby. This is a labor intensive measurement for a city planning department, but viable for a business through market analysis.
- Parking (Spaces vs. Demand) - City regulations set minimum requirements for parking spaces for a business. Nodes need to be accessible by vehicle but the amount of parking needed is highly dependent on whether businesses serve customers that walk, bus, drive, or phone in orders. Counting the number of spaces may not reflect accurately the actual demand. Planning departments maintain records of approved parking spaces required per business. Interviews with business owners/managers can determine whether customers are automobile dependent rather and pedestrian. Compiling both types of data is not uncommon when businesses seek waivers.

- Business Owners' Relationship (Formal vs. Informal) - Existence of a business association generally demonstrates a working relationship between business owners and generally leads to heightened cooperation. However, the lack of an association at a stable node may not represent a lack of cooperation. Most associations are registered with municipal governments or chambers of commerce. Evaluating the existence of informal networks is achieved through interviews of business owners. The importance of this criteria is determining whether relationships exist that can contribute to strengthening the business environment at a node. Note: the *Draft Minneapolis Plan* supports promoting formation of business associations (*Draft Minneapolis Plan*, June 1997, pg. 53).
- Vacancy (Real vs. Apparent) - Vacancy, either real or perceived hurts the vibrancy of a node. Perceived vacancy is an issue when a building is used for storage or irregularly; passersby will not see any activity and thus assume it is vacant. Perceived vacancy, as well as real, is measured by walking by buildings and judging whether there is any storefront activity on a regular basis. While any occupancy of a building is better than a true vacancy for providing minimal upkeep, buildings not attracting customers decrease activity at the node. Perceived vacant buildings are often less attractive; they lack window displays, lights, and people welcoming customers. Storage needs are great for some businesses, but a successful node must find a way to prevent street-front storage.

Non-traditional Criteria

- Customer Base (Neighborhood vs. Regional) - Business customers can be divided into two categories: neighborhood and regional. Convenience oriented stores focus on local demand, while specialty businesses can meet both local and regional demand. The customer base is measured by asking business owners where their clientele are from. One simple measure is to keep track of all the zip codes on checks during a one week period. The MCDA report states that most services at a node must be convenience related. However, this study found that many nodes host businesses that provide specialty services and often serve much larger market areas. Specialty businesses that exist at neighborhood nodes meet market demands unfulfilled by "big box" stores, including neighborhood demand for a coffee shop or dry cleaners, or regional demand for an old-time meat market with phenomenal product and service. Arguing that nodes must primarily meet neighborhood convenience demands ignores a strong tradition of nodes being home to businesses that are not primarily dependent on neighborhood residents. Viable nodes will often provide a variety of specialty services serving local and regional markets.
- Architecture/Aesthetic - The character of a node is a marketing feature. Measuring aesthetic appeal is highly subjective and may not reflect architectural design. Buildings not notable by architectural standards may be vibrantly painted creating an atmosphere sought by customers. A node needs a defining character, but comparing characters is difficult. Character can be measured by looking for unique factors such as construction design, a cluster of similar specialty shops, or a common theme that sets it out from other areas. Aesthetics may also reflect the reinvestment of profits by business owners. Run down buildings may demonstrate a lack of commitment to the business climate of a node.

- Related Services - A node with related businesses that attract customers who use multiple services at the node are generally more vibrant. "Crossover customers" increase economic activity by direct purchases and through creating a welcoming feeling on the street. One can measure the use of multiple stores through an intercept survey, asking customers if they are visiting more than one business during that stop.
- On-Site Property Owner - Higher levels of business owners who own their buildings appears to correlate with greater upkeep of the property and willingness to address node problems. One can ask business managers if they own their building or if the owner is on site in an adjoining building.
- Mixed Use - Mixed use means a combination of commercial, light industrial, and residential uses. Strong nodes may have light industrial businesses that employ numerous people, who then utilize convenience services at the node. Similarly, having residents above stores increases foot traffic and "eyes on the street," which improve node vibrancy. If properly designed, the impact of industrial traffic on surrounding residential blocks can be minimized. Specialty wholesale businesses that provide limited retail services can also be a strong draw to a node. Mixed use is measured by reviewing zoning charts, but also by interviewing property owners to determine specific uses.
- Public Space - Neighborhoods need gathering places, especially locations where residents have vested interest in preserving a specific atmosphere. Businesses that incorporate local art, sponsor neighborhood activities, hire residents, etc. increase the investment of residents. Public space is difficult to measure, but can be observed in people interacting in non-business transactions, local art being posted, the lack of vandalism or trash, and other factors.
- Business Stability - Nodes with long-term businesses generate a reputation of providing certain services and thus attract return customers. High turnover discourages customers from returning to a node and most significantly can impact the likelihood of their crossover to other businesses. Business stability is determined business owners how long they have been in their current building.

The Chiodo study identified that the presence of an anchor business – grocery store, drug store, or hardware store – is critical. This criteria fails when demographic information is considered. Wealthier and non-elderly neighborhoods are able to travel greater distances for services provided by "big boxes" due to use of the automobile. Strong nodes in these neighborhoods will often be supported by other businesses.

Development of nodes is also impacted by the location of most nodes between two to four neighborhoods, which results from neighborhood geographic divisions often following major transportation routes. The impact is twofold. First, the prioritization and outreach by neighborhood organizations to businesses varies greatly; some neighborhoods have little focus on these relationships. Secondly, the capacity to develop strategies and programs at nodes is challenged by factors of "turf" concerns between neighborhoods, or simply by each neighborhood

having different programs that are not coordinated. Coordination between the neighborhoods and the businesses contributes to the viability of a node.

These criteria identified above impact the viability of each node. A node does not need to have positive responses to each of these issues in order to be successful currently. For example, one node studied has six strong businesses despite separate customer bases, the lowest traffic flow, and limited population draw due to significant nearby park land. However, over the long term, the barriers identified of low traffic and population may discourage buyers from replacing closing businesses.

The impact of using a variety of these criteria is demonstrated below. This study intentionally does not seek to use all the criteria in recognition that data is not always available. Instead, conclusions are drawn based on data presented in the MCDA study and gathered during interviews. In general the data gathered for a node can be accumulated in less than eight working hours by an analyst familiar with existing quantitative resources and spending a few hours on-site interviewing business owners.

POWDERHORN NODE ASSESSMENTS

Cedar Avenue and 38th Street

Traffic Flow - The busiest intersection in Powderhorn and one of the busiest identified by Chido city-wide.

Demographics - Median 1995 Household Income of \$32,793. 11.6 percent age 65 plus.

Buying Power - Lots of residential space is spot-zoned as commercial buildings along Cedar Avenue. Some small apartment buildings nearby, but mostly single family homes or duplexes.

Non-node Commercial Space - Heavy along Cedar.

Number of Businesses - 13

Vacancy - MCDA owns large vacant building on NW corner. SE corner currently a paved small lot. Rustic Tavern building on NE side is vacant, but barely noticeable.

Crime - Low - and increased lighting planned for the fall will strengthen perception even more.

Competition - Most businesses provide specialized services.

Parking - Significant off street for SE corner and potential for more along 38th Street. Parking is barrier along Cedar Avenue during rush hour when it is not permitted.

Business Owner's Relationship - Active business association.

Customer Base - Most businesses serve regional customers and neighborhood. This is due to specialized services.

Architecture/Aesthetic - Not notable, but the business association is putting up a destination sign on SW corner this fall and additional lighting. The sign will greatly increase attention on the site.

Related Services - There is some relation on SE quadrant (clothes, take-out, grocery, candy/card shop) but minimal cross-over-the-street traffic.

On-Site Property Owners - All but one building owner is at the node (excluding the MCDA). Seven businesses rent space.

Mixed Use - Virtually none.

Public Space - None.

Business Stability - High - many over ten years, with two over 30 years.

Business	Service
Zuehlke Photography	photography studio
Basket Barn	baskets
Lynette's Hair Design	hair salon
Cedar Small Engine Repair	retail/repair of small engines
Candy Jar	cards/candy
Metal Detectors of Minneapolis	retail/catalog - metal detectors
Beauty Spot	hair salon
Everett's Foods	grocery
Robin's Royal Catering	catering and take-out
One More Tyme	used clothing
Kwong Tung Oriental Foods	wholesale
CDC Management	service - mail-house
AMS Packaging	light manufacturing - plastic labels
Rustic Tavern	closed

Projection for Cedar and 38th is for a strong future due to positive outcomes of most criteria. Assuming that as planned, lighting will be increased and the destination sign will be erected, and that the vacant and rundown NW corner is redeveloped with a business that attracts walk-in customers, this intersection will increase its existing customer base. The location is unique for capturing both regional customers traveling along Cedar and local customers who drive along 38th Street. This geographic position will help sustain the node unless traffic patterns are radically restructured. One critical issue is parking for businesses on Cedar north of 38th Street who do not have off-street parking. During rush hour no storefront parking is allowed. Discussions at the August business association meeting identified a number of options to solve this problem

including the potential of a parking lot behind the buildings, as supported in the *Draft Minneapolis Plan* (pg. 133). Cedar and 38th is the strongest of Powderhorn nodes.

Bloomington Avenue and 38th Street

Traffic Flow - Less than half the north/south traffic of Cedar, but constant along 38th Street.

Demographics - 1995 Median Household income of \$33,591. 10 percent age 65 or over.

Buying Power - Primarily single family housing or duplex.

Non-node Commercial Space - Virtually none along Bloomington, but some along 38th Street.

Number of Businesses - 11 (plus 2 additional on next block of 38th)

Vacancy - None

Crime - Minimal and good perception.

Competition - Mixed to low. Due to the location, the restaurant is the only breakfast server in immediate area. Peterson Hardware store is an institution in south Minneapolis. Southside Farm Store is unique, but in need of additional space. Amand's Exotic Food is specialty store.

Parking - Brand new off street parking lot behind NE buildings, but other businesses are in need. Possibility of moving bus stop would increase needed parking on NW corner. NE businesses will post "Parking in Rear" signs to advertise availability.

Business Owner's Relationship - Weak, though friendly.

Customer Base - Balance of neighborhood and regional.

Architecture/Aesthetic - Nothing notable.

Related Services - Restaurant, hardware store, cleaners, and service station occasionally have cross over. But minimal.

On-Site Property Owners - High presence, but half of businesses under lease.

Mixed Use - Some with apartments above hardware store.

Public Space - None.

Business Stability - Increased in recent years, but project 25 percent turnover in near future.

Business	Service
Nokomis Cleaners	drycleaning
Airtech Cellular	cellular phones
Bloomington Center	hair salon
Lake Maps	map lakes
Amand's Exotic Food Market	specialty grocery
Tony Michael's Southern Cooking	restaurant (southern food)
Peterson Hardware Hank	hardware store
Kevin's Amoco	auto repair
China Palace Enterprise Co.	wholesale
Heffern Chiropractors	chiropractor
Southside Farm Store	pet/garden supplies

Bloomington Avenue is sandwiched between Cedar and Chicago, two avenues with heavier north-south traffic. The amount of east-west traffic along 38th Street is relatively constant at each intersection, but the Bloomington-38th node is overshadowed by Cedar Avenue. In addition there is a large strip-mall development two blocks further south on Bloomington. The result is that this intersection, while currently being home to a number of strong and demanded businesses, is caught in a location that will struggle to compete over the long term. Many of these businesses are destination businesses and could be profitable at other locations. However businesses that refill the space would likely be less successful due to the factors discussed. For the indefinite future, customers from throughout south Minneapolis who shop at Peterson Hardware will sustain the node.

Chicago Avenue and 38th Street

Traffic Flow - Below average of Chiodo study areas, but slightly more than Bloomington Avenue.

Demographics - 1995 Median Household Income of \$30,189, among the lowest in Chiodo study. Very low amount of people age 65 plus, but high under age 18 percentage (32.1%). Note that this intersection borders one of the poorest neighborhoods in Minneapolis.

Buying Power - Apartments and other developments west of Chicago Avenue increase the density.

Non-node Commercial Space - Some along Chicago Avenue.

Number of Businesses - 12 (in addition there are two churches and two buildings used for storage)

Vacancy - Perceived as high due to three buildings on NW side used as storage or church space. In addition, the building on SE corner has windows on Chicago, but 38th Street side of store is relatively unmarked. Some businesses hold irregular hours which hurts activity flowing in and out of store fronts.

Crime - Violent crime is decreasing, but perception is that it is still a very dangerous intersection.

Competition - Businesses report strong growth in recent years. The neighborhood based businesses draw significant bus and pedestrian traffic because many residents do not use automobiles.

Parking - Currently not an issue, but turning warehouse space into active business could demand more parking. Church parking lot on SW corner could provide potential space for business hour parking.

Business Owner's Relationship - None. There exists a task force with members from the four surrounding neighborhoods, but to date, business participation has been minimal.

Customer Base - Heavily neighborhood, with some regional.

Architecture/Aesthetic - Poor.

Related Services - Minimal to none.

On-Site Property Owners - Very high, but presence of chain stores seems to draw profits away from direct investment on-site.

Mixed Use - Minimal; most apartments are not currently rented out because of problems with past tenants.

Public Space - Minimal-to-none.

Business Stability - Some very new businesses, with the majority on-site during last 10 years.

Summary table for Chicago Avenue and 38th Street located on page 13.

Chicago and 38th is the "toughest" node in Powderhorn, both by reputation and in terms of development potential. Yet suprising to some, the surrounding economically depressed area is a great resource for the node. Local residents are heavily dependent on bus routes that intersect at the node and for convenience and other businesses that are within walking distance. There is currently too much commercial space available at the node for what can be sustained, but this is largely a result of significant spot-zoning along both major streets and the presence of multiple buildings used for storage. These factors decrease the economic activity of the node by diverting potential customers elsewhere and by supporting a perception of an abandoned, dangerous area. Chicago and 38th can be vastly improved by returning storage space to commercial space, and attracting nearby businesses to relocate to the node. There is also potential for additional mixed use; at least four apartments are currently not rented out due to past problems with tenants.

Business	Service
Mill City Auto Body	auto body repair
Furniture Liquidators	furniture retail
House of Breakfast	closed - breakfast restaurant
Flyght Communications	retail – communications
World Class Barber	Barber
SuperAmerica	gas/convenience store
Wreck Brothers	auto body repair
Cup Foods	grocery store
Tom's New and Used Furniture	furniture retail
Tomorrow Trendz	clothing retail
Golden Frame Beauty Shop	hair salon
Good Times	Closed
Worldwide Outreach for Christ	Church
New Progressive Church	Church

Bloomington Avenue and 35th Street

Traffic Flow - Low

Demographics - Statistics not available in Chiodo report, but observe characteristics similar to 38th Street and Bloomington.

Buying Power - Some apartments along Bloomington; mainly single family homes and duplexes near by. The park is one block west and cuts housing within walking distance by roughly 20 percent.

Non-node Commercial Space - minimal

Number of Businesses - 9

Vacancy - one building on Bloomington looks empty but isn't. NE storefronts are run down, adding to perception of vacancy. Also four businesses are not retail oriented.

Crime - minimal - good perception.

Competition - Mixed. Four businesses have strong neighborhood base. SuperAmerica and the MayDay Café face virtually no competition in the immediate area. Other stores depend on word of mouth and return customers.

Parking - very limited. No off-street parking options for retail except at SuperAmerica.

Business Owner's Relationship - Minimal.

Customer Base - Mostly neighborhood. One regional.

Architecture/Aesthetic - Weak, but potential to improve using theme from MayDay and Puppetry Studio.

Related Services - Almost no crossover, unless customers go from other business to Super America.

On-Site Property Owners - High.

Mixed Use - None.

Public Space - MayDay provides some music and art space for residents.

Business Stability - Fairly stable.

Business	Service
O'Donnell Paint and Body	auto body repair
MayDay Café	coffee house
Joseph's Garage	auto repair
The Puppet Studio	studio
RBA Inc.	misc. sales
The Comfort Zone	barber/beauty shop
Eckel Sign and Striping Co.	sign painting
SuperAmerica	convenience
Lars Inc.	unknown

35th and Bloomington demonstrates a node with significant barriers countered by unique resources. It is the smallest Powderhorn node, with the lowest traffic flow, limited parking, and low crossover customers. Yet at the same time, it is the only node *within* the neighborhood, is closest to the park and community center, currently provides a couple services that meet specific neighborhood demands, and has easy pedestrian access (*Draft Minneapolis Plan*, pg. 131). Its future success may depend on remaining small and focusing on services demanded by immediately surrounding residents. Because the population is limited in this area, these services would be few and thus preserving a couple businesses that draw regional customers will help to maintain other buildings at the node. Business owners will need to work together to preserve and improve the node. Limited financial support to facilitate renovations of one building may be justified if the appropriate business was identified to utilize the space.

CONCLUSION

Efforts to prioritize projects and regions for receiving public funding support are important. However use of only traditional economic criteria when looking at a node ignores the multiple

roles that neighborhood commercial areas play. Neighborhoods are difficult to define merely by statistics. Architectural character, active citizenry, and specialized services do not appear in economic data, but have significant impact on the economic viability of a node. Thus the Minneapolis Community Development Agency, banks, and similar parties need to use an expanded list of criteria when assessing the viability of an investment.

The four nodes studied here demonstrate the importance of combining traditional with non-traditional data. Quantitative data alone, as used by the Chiodo study, projected dismal futures at all four Powderhorn nodes, while a broader look suggests that at least two nodes are sustainable.

Gathering non-traditional data may pose certain obstacles for public agencies analyzing many nodes. In Minneapolis, neighborhood organizations could use volunteers to gather data or the city could contract others to conduct the non-traditional analysis. As stated before, one need not utilize all seventeen criteria, but engaging more than the four Chiodo criteria is essential if Minneapolis is truly seeking neighborhood and community development.

As the City of Minneapolis pursues prioritization of funding, other issues must also be addressed. Research identified the following as critical problems.

1. Many neighborhoods are littered with scatter-site commercial buildings that both maintain strong businesses off nodes, and draw customers away from nodes. The City Planning Commission must take a stronger role in consolidating commercial activity toward existing nodes. MCDA, in conjunction with the Planning Commission, should create incentives for businesses to relocate to nodes. At the same time, *MCDA must have a plan for converting excess commercial space into an alternative use*, predictably residential, and compensating landowners who lose the existing use of their building. This is supported in the *Draft Minneapolis Plan* which states that the City should "facilitate the redevelopment of retail uses and areas that no longer are viable and promote their reuse as more appropriate infill development, such as office or housing." (pg. 53) *Healthy Minneapolis neighborhoods will depend on a combination of incentives to draw businesses to nodes, zoning enforcement to prevent continued scatter-site development, and funding to transform non-viable commercial space.*
2. Commercial activity at some nodes is limited by the current use of buildings for storage. Storage space reduces customers and creates a less vibrant atmosphere. While some storage space is critical for businesses, an abundance of it can push a node toward non-viability. Zoning must disallow street-front storage and be enforced to provide space for new customer oriented businesses. Economic development specialists can support this effort by finding ways to meet the storage needs of businesses other than in street front commercial buildings.
3. Many entrepreneurs stated that many city ordinances are often unnecessarily challenging for new businesses. Some nodes, though none in Powderhorn, fall into special areas (i.e. enterprise zones) where the processes are simplified or less burdensome. Certain neighborhood areas may deserve special consideration for regulation reform in order to stimulate development of vacant space.

4. The geographic definition of neighborhoods creates barriers because neighborhoods are generally divided along major thoroughfares which coincide with nodes. The result is that many nodes lie in two to four neighborhoods which can hamper local development initiatives. Related to the geographic boundary is also the difficulty of gathering quantitative data which is often neighborhood specific.

The MCDA report is correct that not all nodes will exist in ten to twenty years, but many will as they continue to provide vital services unmet by "big box" developments. Neighborhoods depend on local services which can also provide specialized services to regional customers. As Minneapolis looks to prioritize its funding for neighborhoods, it must use appropriate criteria that reflect neighborhood peculiarities to accurately identify viable nodes for investment.

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